

"BACKGROUND OF THE HOUSING PROBLEM"

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Introduction,

The first lecturu in this series is on the
Background of the Housing Problem, The other nine lectures
deal in detail with different aspects of Slum Clearance, The
deterioration and obsolescence of housing stock in Canadian cities
merits your studious attention. Although our cities are young by
European standards, they do contain within them the processes of
decay. Slum clearance is however, only one part of a more complicated
urban issue - the redevelopment of cities, which is something more
than a material and economic improvement, something more than the
removal of overcrowding, of dilapidated structures, of slums. The
removal of the bad must be associated with the achievement of the
good - with the creation of a better urban environment, with the
whole subject of improvement of civic design. The removal of the
slum - an end in itself - should lead to a renewed life for the city
itself. No piecemeal improvements, however valuable in themselves,
can neglect a scheme for the city as a whole; the city is not something

to be patched up here and there while the remainder dies of neglect or congestion. The whole city has to be alive and dynamic.

Your study of Slum Clearance has therefore to be against a wider background. But the background should perhaps take in even more than urban redevelopment. You cannot consider the centres of the older cities without studying their new peripheries, the new subdivisions on the circumference, the new traffic problems, the new schooling, shopping problems. It is all part of one piece - the growth of North American urbanisation.

I should like you to look at this wider background, in your introduction to the subject of Slum Clearance, and to see the latter as a part of the whole.

To talk about the background of housing is almost as difficult as to talk about the background of human life itself. There is as much variety, as much subtlety, as much depth, as many unknowns.

The Individual House.

To start, consider the Individual house. It is of many types and in many places - it is small or large, poor or rich, old or new, dignified or tawdry; genteel, graceful, chaste

or upstart, vulgar, dowdy: it can be airy or damp, can look generous or plain: it can be penthouse or basement house: it can be single or multiple, downtown or suburban: it can be in Metro or the frontier.

But these varieties refer only to its face, its form. Inside it has human services to perform - many services. In about 1,000 or 1,200 square feet it has to serve its occupants as hotel, restaurant, school for the children, a wholesale and retail storage for food, a heating plant, rooms for sleeping, for recreation, for visitors, for T.V., rooms for hospital on occasions, for beauty parlour, for library - quite a complex for any engineer to build in such small compass.

No house, except a farm, stands alone. It is usually one of a group, in a street pattern. The group may be downtown or suburban; it may be monotonous to see and give you that chicken-farm feeling. In these groups you see the shapes, the verticals (walls), the horizontals at the ground level and the roof ridges, the slopes in the gables. You see the solid geometry of the group, with order or disorder in the array. There is colour and texture, and space between the houses, there is landscaping. The whole group can be a composition in space that delights the senses. It does not always do so, I fear. Just as a person is conditioned by heredity and environment, so is a house by its setting.

This house, wherever it is, has to be lived in. Behind the curtains, the street face, is a personality as varied and as subtle as human character itself. This is hidden. But no student can afford to forget this feature. It is the starting-point of any enquiry into housing - whether slum clearance, low-rental, public housing or any other.

A house is part of a housing group. A housing group is part of a neighbourhood. A neighbourhood is part of a city. It is the one in the many, the many in the one. Always the unit should be in mind - the house to be lived in - by the lonely person, the newly-weds, the small family, the widow and children, the old age pensioners. For living, all of these have different needs, different demands to ask from the structure, the engineered complex. Each of us passes through most of these stages of human needs. At the end, in the last stage, we should know more about housing than we did at the first. But how many of us do?

This is the housing problem - how to create units that will meet these needs best, with good design, at low cost.

Housing at Large.

The housing problem is seen through many eyes - each from its own point of view - the eyes of governments (federal,

provincial, municipal), the real-estate operators, the house builders, the social reformers, the architects and town planners, the mortgage lenders (banks, insurance companies and trust companies), the industrial economists. Each and all are concerned in some way with housing. Each and all form part of the background. With different interests, with different motives, with different Instruments at their several commands, these groups determine the shape of urban development. And in the post-war period in Canada, urban, and particularly suburban growth has been perhaps the nation's largest and most critical undertaking. Industrial growth and urban development are inseparable, are complementary one with the other.

One million new houses have been built. In the new suburbs, with their new shopping centres and schools, live nearly three million Canadians, including a large proportion of the nation's children. The war was a landmark in housing. Before the war, in the depression, new construction had been low. The war caused a further deferment, and ended with a housing shortage. Our veterans returned to civil life - a million of them. New Immigrants came to Canada - adding 1.3 millions to our population. Marriages and births continued at new high rates. So there was a major shortage. Older houses were neglected in war, and then

renovation was delayed afterwards by material shortages. The old stock had to remain. Municipalities could not enforce their housing standard codes. A leaky roof was better than no roof.

Today we have something under four million houses in Canada, one quarter of these being post-war. The remainder of the housing stock may have been built in any year of the last hundred. Unlike European cities, the entire span of our history from settlement till now can be seen in the buildings around us. 10% of the housing stock is over seventy-five years old. Over half a million units are from fifty to seventy-five years old. You cannot allege that all old houses are poor in quality, because that is not so. Many have been well maintained) many have been converted to boarding houses and other uses; many are being replaced by apartment buildings or commercial ones. Nonetheless, from a century of house building, our cities have inherited a stock of housing that is caught in the relentless process of deterioration and obsolescence. During the past decade, the new construction in the spreading suburbs has been the prior need, and concerted action to conserve and replace the existing stock has been delayed. There remain, therefore, many dwellings in need of repair. Many lack running water; many are slums.

The redevelopment of cities - to meet the new demands made upon the hearts of urban areas with increased traffic, growing commerce and changed patterns of living - will undoubtedly be a major subject of public discussion during the coming years. So too will be the problems of slums, and the housing conditions of low-income families.

The background of all this is nothing static, particularly in the last decade. It is not a backdrop on a stage before which a play is acted. The background is constantly changing, in its parts, and in the Interaction of these parts.

For simplicity's sake, we can abstract four elements in this background. They together determine the main features of the unfolding scene - they are:

- (1) The economic conditions of the time.
- (2) The house building and supplying industries.
- (3) The flow of funds to housing as against other uses.
- (4) The various governments.

1. The Economic Conditions.

The level of housing is part effect, and part cause of the general economic situation at any moment. A

growing economy, such as ours has been in the last ten years, is typified by new factories, new mines, new communications! complementary to these there has to be new housing in the growing areas. To that extent additional housing follows new economic expansion. But oppositely, the housing may be of such dimension that it itself becomes a generator of economic development. As population grows, as families increase in size, the demand for accommodation expands the whole construction industry. It calls for new sub-divisions, new streets and services, cement, lumber and a whole gamut of supplies in hardware, kitchen furniture, rugs, drapes. An expansion in housing touches more parts of the economic supply system than most industries. Thus, without government encouragement of any kind, the private economy, through the ordinary processes of initiative and enterprise, will at any moment of time, produce a certain volume of housing, and a certain variety to meet the demand. Of course, if there is special government intervention for any reason (low interest rates, subsidy etc.), the volume of housing will tend to run beyond this level, especially if governments take action to provide extensive housing for large families say, or low income families. We shall return to this government aspect later. Meanwhile the first point to be understood is that the level of

house building at any time is related to the level of economic conditions, but in a quite intricate way. It is not easy at any moment to say precisely how much of the new housing is consequential to the boom itself, and how much of it is helping to generate the boom. Clearly, in recent years, with about \$1.5 billions going into housing, the level is an important stimulant to the whole economy.

2. The house building and supplying industries.

The size of the housing operation at any time is tied in with the organisation of the building industry itself. Before the war, house building had proceeded at the rate of 38,000 units annually. Last year it was up to 125,000. This growth in capacity was accomplished through the enterprise of house builders, through the productive capacity of factory and mill, through the increase in the labour force in this industry. The growth had to be supplemented by equivalent growth in supplying Industries - cement, gypsum lath, nails, plumbing pipe, electrical wiring, telephones, asphalt for streets, draperies, kitchen ware and the like. During the ten years, the structure of the building industry has been in constant change. The industry, formerly comprised mainly of small-scale builders, now includes some large general contractors, as well as

many small ones. The industry has been growing to a new stature, competent to produce not just individual houses but whole neighbourhoods. It has gained in experience and skill.

The individual house unit has not changed markedly during the period. It is to be expected that the industry will develop new advances in building techniques, as well as in design, that it will search for the application of more Industrial processes to housing, that it will become increasingly competitive in techniques of production and in the quality of design. Ufttil now the emphasis has been on the number of houses built. Today, however, we are in a position where the quantity of housing demanded depends to a growing extent on the quality and appeal of the industry's product. The house building industry has now to compete more with the automobile Industry, with the motor-boat, with the other products for a share of the consumer's dollar. It can induce the public to devote more dollars to housing only if it can turn out a product that is better than last year's, or one that gives more value. In short, the structure of this industry has been changing, and may be expected to change more in the next decade,

3, The flow of funds to housing as against other uses._____

The third element is the flow of funds, to housing. In the past decade about \$9 billions went into housing. It came in

the form of mortgages from the country's financial institutions, its insurance companies and banks, and from the savings of a multitude of home owners, and apartment builders. The home owners and investors in real property put up \$4 3/4 billions: governments put up one half billion for public housing. And the rest came from the lending institutions who mobilised the savings of Canadians - in insurance premiums and bank deposits - to finance the programme.

An individual's decision to invest in the ownership of a dwelling is usually the largest single financial commitment of his life - and the house itself will, like the trees we plant on the lawn, probably long outlast the first owner. In many cases the ownership involves budget planning for a long time to get the down-payment, and then perhaps a period of twenty-five years to repay debt and interest.

Mortgage credit is therefore a necessary element in house building. The mortgage market has undergone many changes in the past ten years. The demands for credit have been enormous in a boom of this kind, and borrowers for housing have to compete with other borrowers (governments, utilities, corporations) for a share of the available funds. The massive capital investment programme in the country's industries and resources might have

swallowed up the available savings had not steps been taken to improve the investment quality of mortgages. They had to be made attractive to lenders; and this was achieved by various changes in legislation. The result of these changes was to improve the investment quality of the mortgage paper by:

- (i) Federal insurance of the lender's mortgage, so that banks and others could invest in mortgages without undue risk. This insurance is done by C.M.H.C. A
- (ii) This permitted the lender to act on a lower interest rate than if he had had to carry the full risk.
- (iii) There was a reconstitution of methods of loan and interest payment. Full amortisation of the loan is a post-war feature, leaving the borrower with a known, fixed monthly payment for the period of the loan.
- (iv) Into the monthly payment was incorporated not only the principal and interest, but also the monthly municipal tax.
- (v) The amortisation period was .lengthened, and is now typically a twenty-five year period, as against an eighteen before the war.

This improvement of the investment quality of mortgages permitted insurance companies to increase the portfolios in loans* (By 1955, 37% of the total assets of insurance companies were in mortgages). Likewise, these changes allowed commercial banks - formerly limited to lending only on short-term liquid loans - to lend on mortgages. (They now hold 7% of total savings deposits in this form.) Because of the insurance feature, these mortgages can be liquidated, and a market for buying and selling these "mortgage bonds" is gradually emerging in Canada.

These changes resulted from a series of amendments in the National Housing Acts from 1946 onwards, and were instrumental in eliciting for housing a fairly steady flow of mortgage funds. In the end, of course, the total flow of funds for all investment, not only housing, depends on the level of savings. If demands for investment funds outrun these savings at any time, there can result tightness in the whole money market, and in such conditions mortgage credit has to compete with others for its share of the total savings.

4, The various governments.

The various governments (federal, provincial and municipal), are all involved in housing in some way. The provision of housing has some aspects of a public service, inviting and requiring

government participation and community action, for reasons of economic policy and in pursuit of welfare objectives,.

The federal government has played an Increasing role since the Housing Act of 1935. While it has aimed at stimulating housing, it has tried to avoid responsibilities that are allocated to other governments, or that could effectively be borne by private enterprise. Its actions have been aimed at improving the flow of funds, as outlined above: but also by direct government aid under certain conditions - e.g., the construction of veterans' houses in the post-war emergency, and in the present period, the construction of low-rental housing in partnership with provincial and municipal governments.

Broadly, the federal government's contributions to housing are economic, while provincial and municipal governments are mainly concerned with the administration of urban growth. Physical planning is done by the municipalities, and the financing of public utilities and community services is their's also.

The surging demand for living space has placed a severe strain on the whole framework of community organisation. At the end of the war public administration could hardly foresee the explosive conditions that were to be encountered. Suburbs spread far beyond the boundaries of cities, and the task of providing

schools and streets and sanitary services was placed on municipalities that had little previous experience, and few resources for this purpose. In these areas no community planning had been done in advance of this surging tide of growth. It is not surprising that many new suburbs fail to be Mcompositions in space." The administrators were not skilled in the arts of comrtiunity building, in turning farmland into townships at short notice. Initiative and improvisation were required to produce the accomplishment - impressive in size if not in design.

In addition, these municipalities had new problems in financing - extraordinary, perhaps almost unbelievable expenditures for schools, roads, main water and sewage plants. This difficulty has only been partly overcome by incorporating the costs of such services into the initial price of the house, and so into the mortgage. All of this physical expansion, combined with the assessment and tax problems, has produced a prodigious rise in serviced land values around most metropolitan areas.

The traditional patterns of local government are being rendered outmoded by the new urbanisation. The experiment of the creation of a Metropolitan government for Toronto reveals one attempt to meet the need. Local governments are making great advances in acquiring skilled staffs in advance for the next wave of

urban growth. There remain to be solved however, questions of local authority, and of finance to cope with immensely expanded urban growth of Canada.

Conclusion.

Such is the background against which you students will be enquiring into problems of slum clearance. You are concerned with one aspect of the whole - an important aspect - the problem of dilapidation and obsolescence of units, the high costs of slum rents, the poor environment for children, the overcrowding of acres, the overcrowding of tenements, and the overcrowding of rooms. All of these have costs in social and welfare services. The social reformer does not have to look far to see things to talk about, and to act on, in the decayed areas of our cities.

As I suggested in the beginning, slum clearance is a desirable objective in itself. But taken alone, it is a negative expression. You must have in mind as well something to do with the people and something with the land. This raises a number of quite difficult questions which I hope you will have a chance of considering during the course. If a municipality considers slum clearance, where is the best place to put the low income families, having in mind the future employment and traffic patterns of the city? Could this

particular piece of land have a more dynamic role to play in the new physical pattern of the city itself? Should it be used to give more elbow room or perhaps more pedestrian space in a traffic-congested city centre? Could the cleared land, which may be large blocks of central land, be used to attract new industrial and business life blood to the core of the city? Or should the land be used to house upper and middle income apartment dwellers who work in the commercial centres, rather than low income families? In short, community plans for re-using cleared land must be based on a visualisation of the future of the whole city, or Indeed a whole metropolitan area.

Citizen organisations and public bodies are already taking the initiative to attack a new frontier of housing in the obsolete centres of cities. In many Canadian cities, the federal government has already joined with the municipalities concerned to undertake the necessary studies of the blighted areas, and the preparation of plans. At this session of Parliament, the federal government amended the National Housing Act specifically to make it a more useful instrument for slum clearance and urban redevelopment, Mr, Winters, the Minister responsible, said - "I would hope that more cities across Canada will take advantage of the legislation in the

years ahead, to clear blighted areas and provide public housing for citizens who need decent accommodation and who cannot otherwise get it,"